

BEFORE THE SECURITIES COMMISSIONER

STATE OF COLORADO

Case No. XY 14 - CD – 011

**STIPULATION FOR CONSENT CEASE AND DESIST ORDER CONCERNING
LESTER D. PEDICORD AND PEDICORD INVESTMENT COMPANY**

IN THE MATTER OF LESTER D. PEDICORD AND PEDICORD INVESTMENT
COMPANY

Respondents

The Staff of the Colorado Division of Securities ("Staff") and Respondents Lester D. Pedicord and Pedicord Investment Company ("Respondents") hereby enter into this Stipulation for Consent Cease and Desist Order in this matter as follows:

1. Pursuant to the authority provided in §11-51-601, C.R.S., the Staff conducted an investigation into the Respondents' conduct concerning investment advisory services in Colorado. Based on its investigation, the Staff alleges as follows:

- a. From at least May 1991 to March 6, 2014, the Respondents acted as an investment adviser and investment adviser representative to Colorado clients.
- b. Respondent Lester D. Pedicord is a licensed Certified Public Accountant (CPA) with the State of Colorado.
- c. The Respondents charged fees for the investment advisory services.
- d. The fees were based on the value of the portfolio of the client and were either a flat fee or a percentage of the value of the client's portfolio.
- e. In 2012, the Respondents charged fees to about 18 clients for providing investment advisory services.
- f. The investment advisory services fees charged by the Respondents were not incidental to the CPA activities conducted by Lester D. Pedicord.
- g. The Respondents were never licensed by the State of Colorado or by the Securities and Exchange Commission to provide investment advisory services.
- h. On March 6, 2014, Respondents sent termination letters to all of investment advisory clients notifying them that he terminated any investment adviser relationship the Respondents had with them.

2. The Respondents have cooperated with the Staff in the investigation of this matter.

The Staff and the Respondents desire to resolve this matter without further litigation and prior to the entry of a final order by the Securities Commissioner, hereby stipulate and agree as follows:

3. The Securities Commissioner for the State of Colorado has jurisdiction over the Respondents and the subject matter of this action.

4. The Respondents agree to the entry of a Consent Order in the form attached hereto as Exhibit A and incorporated herein by reference.

5. By entering into this Stipulation, the Respondents neither admit nor deny that the allegations and grounds set forth in this Stipulation are true.

6. By entering this stipulation, Respondents agree that they will not engage in any activity that can be construed as providing investment advisory services, whether solely incidental to his accounting practice or not, and whether or not the clients receive any special compensation for his investment advice.

7. Respondents affirmatively represent that they have provided each of their clients with written notice terminating any investment adviser relationship he has with them, including the termination of any limited powers of attorney, or any other authority Respondents might have over their clients' accounts.

8. By entering into this Stipulation, the Respondents understand that they have the right to notice and a formal hearing pursuant to §11-51-606(1) and (1.5), C.R.S., the right to be represented by counsel of his choice, the right to present a defense through oral or documentary evidence and to cross-examine witnesses and to findings required by §11-51-606(1.5), C.R.S., at such hearing. By entering into this Stipulation, the Respondents expressly waive the rights set forth in this Paragraph 8, and further waive the right to seek judicial review of the Cease and Desist Consent Order entered pursuant to this Stipulation.

9. The Respondents acknowledge that they have entered into this Stipulation voluntarily, after the opportunity to consult with counsel of their choice, and with the understanding of the legal consequences of this Stipulation and Consent Cease and Desist Order.

10. The Respondents hereby waive the findings required by § 11-51-606(1.5)(d)(IV), C.R.S.; and, pursuant to § 11-51-704(2), C.R.S., agree that the entry of this Consent Cease and Desist Order is necessary and appropriate in the public interest and is consistent with the purposes and provisions of the Act.

11. The Respondents further acknowledge that any violation of this Stipulation or Consent Order when issued may constitute grounds for further sanctions and formal proceedings against them for such violation.

Elizabeth LaBrec 3038301033

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PEDICORD INVESTMENT COMPANY

Lester D. Pedicord
LESTER D. PEDICORD, Director
on behalf of Pedicord Investment Company

Subscribed and sworn before me this 10th day of April, 2014 by Lester D. Pedicord.

Michelle Gushki
Notary Public 9/27/14

LESTER D. PEDICORD

Lester D. Pedicord
Lester D. Pedicord

Subscribed and sworn before me this 10th day of April, 2014 by Lester D. Pedicord.

Michelle Gushki
Notary Public 9/27/14

THE STAFF OF THE DIVISION OF SECURITIES

By:

Rhea Babcock
Rhea Babcock
Chief Investigator

Date

April 14, 2014